GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services - Dr.G.Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS - Departmental proceedings under Rule 20 of the Andhra Pradesh Civil Services (Classification Control and Appeal) Rules, 1991 - Articles of Charges - Issued.

LABOUR, FACTORIES, BOILERS AND IMS (IMS&VIG) DEPARTMENT

G.O.Rt.No.166 Dated:11.05.2022

Read the following:-

1. From the DG, (V&E) & E.O. Prl. Secy. to Govt. VR.No.1,(C.No.2982/ V&E/ Sec.II/D2/2019-1&2&836/V&E/Sec.II/D2/2019-1) Dt.03.01.2020.
2. From the Director of Insurance Medical Services, A.P., Vijayawada Lr.Rc.No.1625923/SM/DIMS/2022, dated:15.03.2022

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ORDER

It is proposed to hold an inquiry against Dr. G.Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS in accordance with the procedure laid down in Rule 20 of the Andhra Pradesh Civil Services (Classification, Control and Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed Statement of Articles of Charges (Annexure-I). A statement of imputations of misconduct or misbehavior on which action is proposed to be taken against him is enclosed (Annexure-II). A list of documents by which and a list of witnesses by whom the Articles of charges are proposed to be sustained are also enclosed (Annexure - III & IV).

3. Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS is directed to submit his written statement of defense within 10 days from the date of receipt of this Government Order a written statement of his defence and also to state whether he desires to be heard in person.

4. Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS is further informed that an inquiry will be held only in respect of those articles of charges are not admitted. He should, therefore, specifically admit or deny each article of charge.

5. Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS is further informed that if he does not submit his written statement of defense on or before the date specified in Para-3 above or does not appear in person before the Inquiry Authority or otherwise fails or refuses to comply with the provisions of Rule 20 of the Andhra Pradesh Civil Services (Classification, Control and Appeal) Rules, 1991 or the orders/directions issued in pursuance of the said rules, the inquiring authority may hold the inquiry against him exparte.

6. Attention of Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS is invited to rule 24 of the A.P.Civil Services (Conduct) Rules, 1964 under which no Government Servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to furtherance of his interests in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another persons in respect of any matter dealt with these proceedings, it will be presumed that he is aware of such a representation and that it has been made at his instance and action will be taken against him for violation of Rule 24 of the A.P. Civil Services (Conduct) Rules, 1964.

7. Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS is specifically informed, that this order does not preclude the disciplinary authority to frame fresh charges, if any other irregularities are noticed during the course of disciplinary action.

(P.T.O)

8. The receipt of this G.O. should be acknowledged.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To
Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS through the Director, Insurance Medical Services, Andhra Pradesh, Vijayawada.
Copy to:
The Director, Insurance Medical Services, Andhra Pradesh, Vijayawada with a request to serve the Articles of charge on the individual and furnish the dated ACK. of served copy for record.

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - I

Statement of Article of Charges framed against Dr.G.Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS.

That the said Dr.G.Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada while working as Purchasing Officer & I/c Drawing Officer at Office of the Director of Insurance Medical Services & as a Joint Director, Insurance Medical Services, Vijayawada during the period from 2014 to 2019, had committed the grave misconduct and irregularities as mentioned in the article of charges.

Article of Charge -1

That Dr. G. Jagadeep Gandhi while working as Purchase Officer at O/o DIMS, Andhra Pradesh processed the quotations with irregular procedure without insisting for tender process and circulated the file for making irregular payments.

Article of Charge -2

That Dr. G. Jagadeep Gandhi while working as Purchase Officer & I/c Drawing Officer at O/o DIMS, Andhra Pradesh Issued sanction proceedings for payments by mentioning irrelevant HsOA without verifying the indents and quotations.

Article of Charge -3

That Dr. G. Jagadeep Gandhi while working as Purchase Officer & I/c Drawing Officer at O/o DIMS, Andhra Pradesh Failed to follow First come first serve' basis in payment of pending bills.

Article of Charge -4

That Dr. G. Jagadeep Gandhi while working as Purchase Officer & I/c Drawing Officer at O/o DIMS, Andhra Pradesh Processed the files and issued P.O simply basing on fabricated quotations prepared by the staff of CDS and thereby colluded and connived with Non RC firms.

Article of Charge -5

That Dr. G. Jagadeep Gandhi while working as Purchase Officer & I/c Drawing Officer at O/o DIMS, Andhra Pradesh Failed to follow basic established office procedures like preparation of note files, comparative statement, processing payments through Audit Section, etc.,

Article of Charge -6

That Dr. G. Jagadeep Gandhi while working as JD, Vijayawada placed indents worth Rs.45.59 Lakhs durgs without receiving indents from dispensaries.

By his above mentioned acts, he has exhibited lack of integrity, irresponsible towards his legitimate duties, maintaining integrity, devotion to duty and unbecoming of a Government Servant and hereby violated Rule 3(i) of the AP Civil Services (Conduct) rules, 1964.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

SECTION OFFICER

ANNEXURE - II

Statement of imputations of misconduct and irregularities in support of Article of Charges framed against Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada and the then Purchase Officer & I/c Drawing Officer, O/o DIMS.

The Vigilance & Enforcement officials have enquired regarding the misappropriation in the Directorate of Insurance Medical Services, Andhra Pradesh, Vijayawada in procurement of Drugs, Medical Equipment, Biometric Machines, Furniture, engaging the services of call center and ECG Test through M/s. Tale Health Services and establishment of Sewage Treatment plants at 03 Hospitals and one Diagnostic Center through M/s. Jalam Environmental Pvt Ltd., during the tenure of previous three I/c. Directors of Insurance Medical Services i.e., Dr. B. Ravi Kumar (01-11-2014 to 05-07-2016), Dr. C.K. Ramesh Kumar (06-07-2016 to 01-11-2017) and Dr. G. Vijaya Kumar (02-11-2017 to 07-05-2019) and submitted report to the Government.

1. The Department of Labour, Employment, Training & Factories (IMS) formulated the comprehensive policy guidelines for purchase of Drugs & Medicines and Medical equipment in Insurance Medical Services Department vide G.O.Ms.No.51, Dt.09.04.2012 of LET&F Dept,.

As per the said GO, Director of Insurance Medical Services shall obtain indents from the in-charge Medical Officers of the Dispensaries routed through Joint Directors concerned and purchasing system shall be centralized at the Directorate level.

From 02.06.2014 to 14.07.2016, he worked as Deputy Civil Surgeon, O/o DIMS, Vijayawada, and performed the duties of Purchase Officer. As a Purchase Officer his duties are to issue purchase orders to the Rate Contractors approved by the Drugs Scrutiny Committee and to process the quotations received from the suppliers for local purchases (Non RC).He also supervised tic files pertaining to purchase of medical equipment, lab kits, surgical items and furniture and those files processed through him to Director for approval. Being served as Purchase Officer in DIMS, he is not fully acquainted with all relevant Acts, manulas, G.Os and Circulars issued by Government of Andhra Pradesh from time to time. He has not completely followed all the procedures of Insurance Medical Services as well as ESIC. He is not fully well versed with finance rules, administrative rules and purchase policies of Insurance Medical Services & ESIC. On 05.11.2014, he has been delegated with the power of signing on purchase order by Dr. B.Ravi Kumar, the then Director, after his approval for procurement of drugs under RC and Non-RC. All the files were routed to the Director through him.

2. During his tenure, as Purchase Officer he purchased drugs under RC, Non R.C, surgicals, lab kits, furniture and medical equipment, but not followed any of the procedures laid in G.O.Ms.No.489 Finance Dt. 08.12.2008, guidelines of DG, ESIC, G.O.Ms.No.51, Dt.01.06.2010, G.O.Ms. No. 51 Dt. 09.04.2012, G.O.Ms. No. 258 Dt. 20.09.2013, G.O.Ms.No.40 Dt. 14.02.2014 and G.O.Ms. No. 2 Dt. 03.02.2014. Procured drugs by following limited tender/ Quotation system. He has not followed open tender system by way of e- procurement and purchased some of drugs from the firms registered outside the state violation of G.O.Ms. No. 51 I&C Dt. 01.06.2010. There is a provision in G.O.Ms. No. 51 to purchase only specialist drugs but not otherwise but he procured drugs other than specialist drugs. There is a provision in G.O.Ms. No.51, that only items listed in RC contract of ESIC are to be preferred always and rarest among rare cases only the procurement under non RC shall be resorted, but be procured the drugs by violating the provision.

As per the G.O. 51 the Drugs are to be procured under Open system by way of e-Procurement by constituting a Drug Procurement and Tender Scrutiny Committees. The Drugs are to be procured under Non RC only in rarest among the rare cases and only if it is

so required. When the cost is more than Rs.1.00 Lakh, purchase of all materials / articles /goods/products/works/services, etc., shall be procured through e-Procurement, as per G.O.Ms.No.2, Fin(W and P– F7) Dept. , Dt.03.02.2014 . As per ESI Corporation guidelines No.U-16/52/200 I /Med-III (AP), Dt.22. 11.2016 and Purchase Procedure Guidelines of ESI Corporation, the Drugs are to be purchased from the firms, which are in the approved / registered list of ESI Corporation. In case ESIC Rate Contract is not available for particu1ar medicine, then State Government (DIMS) shall procure the drugs and dressings under State Rate Contract and surgical consumables are also to be procured through State Govt. Rate Contract.

During his tenure, some of the payments were made to Avantor Performance materials India Ltd., Legend Enterprises and Omini Medi from irrelevant Head of Account (HoA) by violating financial rules.

During enquiry, it is revealed that Rs.115.00 Cr. worth Lab kits were purchased during 2014-15 to 2018-19 from the firms outside the State in violation of G.O.Ms.No. 51, I&C (MSME) Dept., Dt.01.06.2010. Out of 237.03 Cr. The Lab kits worth Rs.115.00 Cr. were purchased only from three companies (Avantor Performance India Pvt., Ltd., Legand Enterprises and Omni Medi) and payments were made to those companies from irrelevant Head of Account (HOA). During the period 2014-15 to 2018-19, the DIMS purchased Lab kits from M/s. Legend Enterprises worth Rs.68.58 Cr. without calling open tenders and without entering into any MoU or agreements in violation of guidelines. Further out of Rs.68.58 Cr. payment for amount of Rs.22.21 Cr. was paid from irrelevant HOA 210/212 instead of HOA 210/211. HOA 210/212 is meant for purchase of Drugs against the financial rules and budget manuals. During the period 2014-15 to 2018-19, the DIMS purchased Lab kits from M/s. Avantor Performance Materials India Ltd., worth Rs.43.32 Cr. without calling open tenders and without entering into any MoU or agreements in violation of guidelines. Further out of Rs.43.32 Cr. payment for amount of Rs.19.85 Cr. was paid from irrelevant HOA 210/212 instead of HOA 210/211. HOA 210/212 is meant for purchase of Drugs against the financial rules and budget manuals. During the period 2014-15 to 2018-19, the DIMS purchased Lab kits from M/s. Omni Medi worth Rs. 3.15 Cr. without calling open tenders and without entering into any MoU or agreements in violation of guidelines and the amount was paid from irrelevant HOA 210/212 instead of HOA 210/211. HOA 210/212 is meant for purchase of Drugs against the financial rules and budget manuals.

In violation of Rules prescribed under AP Budget Manual and the Appropriation Acts passed by the State Legislation, the office of the DIMS purchased items irrespective of the objective head for which budget released. During 2014-15 to 2018-19, an amount of Rs.68.87 Cr deviated from one objective head to other objective head for purchase of items. Year wise and objective head wise details are herewith enclosed. The abstract of deviation of budget and payments from irrelevant Head of Account is as follows:-

Sl. No.	Subject Head	Diverted Head	Amount
1.	Material & Supply - 210 / 211	OOE - 130 / 132	87,70,875
2.	Drugs & Medicines - 210 / 212	OOE - 130 / 132	1,05,68,163
3.	Maintenance - 270 / 272	OOE - 130 / 132	49,82,527
4.	Maintenance - 270 / 272	Material & Supply - 210 / 211	89,26,924
5.	Drugs & Medicines - 210 / 212	Material & Supply - 210 / 211	12,62,49,363
6.	Material & Supply - 210 / 211	Drugs & Medicines - 210 / 212	52,92,83,116
	TOTAL		68,87,80,968

3. The payment of the drugs and dressing to be made on "first come first serve" basis. He failed to follow the norms laid down by the E.S.I. Corporation vide guidelines No. U-

16/52/2001/Med-III (AP) dated 22.11.2016 and the guidelines issued by the Government in G.O.Ms.No.51 LET&F (IMS) Department Dated: 09.04.2012. While settling the pending bills on the principle of FCFS (First Cum First Served), he settled the bills as desired by him during his tenure duly violating the FCFS principle, consequently bills of some other distributors/companies of Rate Contract and Non Rate contract are pending since year 2012. Therefore, he is violating the principle of FCFS and instructions of the Government while making payments to the Distributor/companies concerned without following norms guidelines during his tenures as Purchase Officer & I/c Drawing Officer, O/o DIMS. Therefore for nonpayment to the rate contract firms since long time, the companies are denied to supply the rate contract drugs and hence it is encouragement of Non rate contract purchases, resulting in huge financial loss to state exchequer.

4. The drugs under Non RC were procured by the directors from Non RC firms (local distributors) without following due procedure of tender system. The Directors and staff of Central Drug Store fabricated the quotations and envelop covers of the quotations to avoid competitive bidding and to favour firms of their choice for person gains and thereby made huge wasteful expenditure in procurement of drugs.

During course of enquiry, randomly secured and some of the distributors, who supplied drugs under Non RC to DIMS. On examination, they all categorically stated that they supplied Non RC drugs without any tender process. When approached the Directorate, the then Directors advised them to supply medicines by furnishing a list of drugs to be supplied. Accordingly, they submitted quotations by mentioning the prices as furnished by the Pharmacist. The other quotations were fabricated by the Pharmacist and the staff of Central Drug Store of DIMS. They supplied the required medicines as per purchase orders issued by the Director IMS. They supplied drugs with more than 50% excess price than the RC drugs. They supplied at exorbitant rates to pay bribe amounts to Directors, staff of Central Drug Store. They also stated that they paid bribes to the Directors, staff and the then politicians in getting POs and payments for supply of the Drugs.

No letters are communicated to the Non RC firms calling for quotations and not aware how the quotations were submitted by firms. He has not gone through the quotations and comparative statements before approving the LI quotation, and he only signed comparative statement without verifying the genuineness of the other quotations said to have been submitted by different firms. The Sr.Assistant, Sri E.Ramesh Babu submitted note for non RC drugs by mentioning that RC companies are not supplying those drugs but there is no evidence proof in support of the notice. On perusal of envelop covers of quotations submitted by different firms it is noticed that the hand writings on most of the envelop covers seems to be one and the same.

5. The Drugs are to be purchased on ESIC Rate Contract from Rate Contract Holders invariably. In case of non-supply of drugs by Rate Contract 1st preference Holder (L1), supply order should be placed to firms on 2nd (L2) and 3rd (L3) preferences. But, he purchased Drugs under Non RC by issuing purchase orders to Non RC Distributors Dealers by citing a reason of non-supply of Drugs by RC companies. On verification of PO files, in none of the files, he issued purchase orders to RC companies and simply mentioned in the note files that the RC companies are not supplying the medicines. Thus he violated the ESIC guidelines by mentioning false information in note files.

6. During his tenure as Joint Director, Vijayawada he submitted indents to Director, Insurance Medical Services based on the demand of the Incharge Medical Officers during his visit to Dispensaries.

The following table showing the drugs received by Dispensaries / Hospitals / Panel clinics without indents and over & above the indented items from 2014-2019.

SL. No.	District	Drugs received without indent (Crs)	Drugs received over & above indented items(Crs)
1.	Srikakulam & Vizianagaram	19.28	2.58
2.	Visakhapatnam	31.53	4.25
3.	East Godavari	20.61	3.28
4.	West Godavari	27.13	6.20
5.	Krishna	26.05	0.88
6.	Guntur	3.59	0.00
7.	Prakasam	3.74	0.54

In West Godavari District almost all in all the Dispensaries, un important medicines like Diclofenac Sprays, Multi vitamins, Calcium Tabs, Inhalers and Regen D Ointments were supplied in huge quantities without indents and in some dispensaries disproportionate to the number of Insured Persons (IPs). At ESI Dispensary, Eluru and Tanuku found huge quantity of surgical items worth Rs.24,36,600/-without any indents are kept unutilised.

At ESI dispensary, Vijayawada Town & East, 03 items of drugs (Oint. Clindamycin, Tab. Sertraline & Tab. Teneligliptin) stock of value Rs.1,07,910/-and 10 no. of surgical items (knee brace, elbow caps, knee caps, cervical collars, LS belt, crepe bandage) stock of value Rs.4.05,100/-are still available in the stores as consumption is slow and stock of the items is sent in excess of the indented quantity during 2018-19.

At ESI dispensary, Gunadala, Vijayawada surgical items knee brace, elbow caps, knee caps, cervical collars, LS belt, stock of value Rs.6.06,980/-are still available in the stores as consumption is slow and stock of the items is sent in excess of the indented quantity during 2018-19.

During the year 2017-18, the Joint Director, V1jayawada supplied Rs.13,67,460/- worth of surgical items to the Medical Officer, ESI Dispensary Markapuram vide Voucher No.220, Dt.02.09.2018. The surgical stocks kept idle without utilization since there was no requirement/necessity of supply of such stocks.

From this, it is evident that he has exhibited lack of integrity, irresponsible towards his legitimate duties, maintaining integrity, devotion to duty and unbecoming of a Government Servant and hereby violated Rule 3(i) of the AP Civil Services (Conduct) rules, 1964.

Hence, the charges.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - III

List of documents on the basis of which the Article of Charges framed against Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada the then Purchase Officer & I/c Drawing Officer, O/o DIMS.

1. G.O.Ms.No.258, Finance (TFR) Dept., Dt.20.09.2013.
2. G.O.Ms.No.2, Finance (Works & Projects-F7) Department, Dt.03.02.14.
3. G.O.Ms.No.40, Finance (TFR) Dept., Dt.14.02.2014.
4. G.O.Ms.No.51, I&C (MSME) Dept., Dt.01.06.2010.
5. G.O.Ms.No.51, Dt.09.04.2012 of LET&F Dept.
6. Circular No.13/CDS/2014, Dt.31.05.2016 of the Director, IMS, Purchase procedure guidelines of ESIC vide LR.NO.U-16/52/2001/MED-III (AP), dt.22.11.2016.
7. Article 3 and 4 of Andhra Pradesh Financial Code.
8. Appendix I of part 3 of Andhra Pradesh Budget Code.
9. Vigilance Report No. 01 (C.No. 2982/V&E/Sec-II/D2/2019-1,2 & 836/DG/V&E/Sec-II/D2/2019) Dt. 03.01.2020 of the Director General (V&E) & E.O. Prl. Secretary to Government, General Administration (Vigilance & Enforcement) Department.

G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER

ANNEXURE - IV

List of witness by whom the Article of Charges framed against Dr. G. Jagadeep Gandhi, Joint Director, Insurance Medical Services, Vijayawada the then Purchase Officer & I/c Drawing Officer, O/o DIMS.

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G.ANANTHA RAMU
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

//FORWARDED::BY ORDER//

K. Vijaya Kumari
SECTION OFFICER